

Message Text

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47

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-02

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

AID-05 COME-00 EB-07 FRB-03 TRSE-00 XMB-02 OPIC-03

CIEP-01 LAB-04 SIL-01 OMB-01 INT-05 FEA-01 SAJ-01

NRC-05 ERDA-05 OES-03 ACDA-05 /109 W

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R 211041Z MAY 75

FM AMEMBASSY BONN

TO SECSTATE WASHDC 0234

INFO AMEMBASSY BERLIN

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY MOSCOW

USMISSION NATO BRUSSELS

USMISSION USBERLIN

C O N F I D E N T I A L BONN 08149

E.O. 11652: GDS

TAGS: EGEN, GW, GE

SUBJECT: FRG/GDR ECONOMIC RELATIONS

AN ECONOMICS MINISTRY SOURCE HAS PROVIDED US WITH A
RUNDOWN OF THE CURRENT STATUS OF INNER-GERMAN ECONOMIC
RELATIONS.

A. ELECTRICITY. DURING THE SPRING LEIPZIG FAIR, GDR
FOREIGN TRADE MINISTER SOELLE PRESSED ECONOMICS
MINISTRY STATE SECRETARY ROHWEDDER FOR AN EXPLANATION
OF WHY THE FRG REFUSES TO ALLOW WEST GERMAN FIRMS TO
DISCUSS WITH THE GDR THE POSSIBLE SALE OF A NUCLEAR
POWER PLANT WHICH WOULD BE CONSTRUCTED AT MAGDEBURG.
ROHWEDDER REPLIED THAT THE FRG WAS NOT INTERESTED IN
RECEIVING POWER FROM MAGDEBURG IN PAYMENT FOR THE
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PLANT. WHEN THE EAST GERMANS ASKED IF THE FRG WOULD

BE PREPARED TO SELL THEM A NUCLEAR POWER PLANT FOR CASH IF THE GDR WERE TO MAKE SUCH AN OFFER, ROHWEDDER RESPONDED THAT THE FRG WOULD HAVE TO CAREFULLY EXAMINE SUCH A REQUEST. OUR SOURCE NOTED THAT THE FRG ALSO HAD LITTLE INTEREST IN THE GDR PROPOSAL TO FURNISH WEST BERLIN DIRECTLY WITH 300 MEGAWATTS OF ELECTRICITY. HE SAID SUCH A STEP WOULD LINK WEST BERLIN WITH THE EASTERN EUROPEAN ELECTRICITY NET WHEREAS THE FRG WAS INTERESTED IN LINKING WEST BERLIN WITH THE WEST.

B. COAL AND GAS. NEGOTIATIONS ON THE EXPLOITATION OF THE BORDER COAL FIELDS ARE AT AN IMPASSE ON THE ISSUE OF THE APPLICABILITY OF WEST GERMAN CONSTITUTIONAL RIGHTS TO THE EAST GERMAN WORKERS WHO WOULD BE INVOLVED IN MINING OPERATIONS ON THE WEST GERMAN SIDE OF THE BORDER. FRG LEGAL EXPERTS ARE TAKING THE POSITION THAT ANY GERMAN CITIZEN WORKING IN WEST GERMAN TERRITORY HAS THE RIGHT TO FREEDOM OF MOVEMENT WITHIN GERMANY AND THAT WEST GERMAN POLICE AUTHORITIES MUST BE IN A POSITION TO GUARANTEE THIS RIGHT TO ANY OF THE EAST GERMAN WORKERS WHO MIGHT WISH TO REMAIN IN THE FRG. THE EAST GERMANS ARE BALKING AT THIS PROVISION. IN THE CASE OF NATURAL GAS THE FRG SEES NO NEED FOR NEGOTIATIONS. THE EAST GERMANS ARE NOW DRILLING ON THEIR SIDE OF THE BORDER AND THE FRG PLANS TO PROTECT ITS SHARE OF THE GAS RESERVOIR BY COMMENCING DRILLING OPERATIONS SOME TIME NEXT YEAR.

C. COOPERATION AGREEMENTS WITH MAJOR WEST GERMAN FIRMS. AGREEMENT HAS BEEN REACHED IN PRINCIPLE ON THE MAJOR DEALS BETWEEN THE GDR AND KRUPP AND HOECHST (BONN 3342). THE FRG WILL STILL HAVE TO APPROVE THE INDIVIDUAL FINANCIAL CREDITS INVOLVED AND MUST RAISE ITS CURRENT CEILING ON EXPORT CREDIT GUARANTEES IN ORDER TO COVER THE KRUPP DEAL (BONN 6140). OUR SOURCE SAID THAT HE DID NOT EXPECT ANY SUBSEQUENT MAJOR DEALS IN THE NEAR FUTURE BECAUSE OF THE GDR'S TIGHT ECONOMIC SITUATION.

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